

# EXHIBIT J

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UNDERGROUND  
 ENGINEERING &  
 ENVIRONMENTAL  
 SOLUTIONS

Haley & Aldrich, Inc.  
 465 Medford Street  
 Suite 2200  
 Boston, MA 02129-1400  
 Tel: 617.886.7400  
 Fax: 617.886.7600  
 www.HaleyAldrich.com



9 December 2003  
 File No. 30616-000

Insituform Technologies, Inc.  
 253B Worcester Road  
 Charlton, Massachusetts 01507

Attention: Thomas Porzio

Subject: On-Call Engineering and Design Support Services  
 East Boston Branch Sewer Rehabilitation Project  
 Boston, Massachusetts

Ladies and Gentlemen:

Haley & Aldrich, Inc. (Haley & Aldrich) is pleased to provide consulting services in connection with the Massachusetts Water Resources Authority (MWRA) East Boston Branch Sewer Rehabilitation Project. We understand that Insituform Technologies, Inc. (Insituform) has completed installation of cured-in-place-pipe (CIPP) for the subject project. We further understand that there are areas of the CIPP that require repairs for various reasons. You have proposed to affect said repairs using epoxy or polyurethane materials and have requested that we provide assistance to you relative to engineering and design of the necessary repairs.

Accordingly, we propose to undertake the following work:

1. Provide an independent check of calculations done by Insituform relative to the required thickness of repair materials by use of the design process put forth in American Society for Testing Materials (ASTM) standard F1216 - Standard Practice for Rehabilitation and Existing Pipelines and Conduits by the Inversion and Curing of a Resin-Impregnated Tube.
2. Provide input on appropriate testing to be conducted by others to facilitate design of the transition zones between the epoxy or polyurethane repair materials and the CIPP and assist in design of such transition zones.
3. Provide input on appropriate ~~epoxy~~ repair materials.
4. Provide an independent check of simplified flow capacity calculations prepared by Insituform.

**OFFICES**

Cleveland  
 Ohio

Dayton  
 Ohio

Detroit  
 Michigan

Hartford  
 Connecticut

Kansas City  
 Kansas

Los Angeles  
 California

Manchester  
 New Hampshire

Newark  
 New Jersey

Portland  
 Maine

Rochester  
 New York

San Diego  
 California

Santa Barbara  
 California

Tucson  
 Arizona

Washington  
 District of Columbia

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5. Attend meetings as requested by Insituform to discuss our work efforts.

It is anticipated that our deliverables for this project will be a series of letters documenting our independent checks of Insituform's design calculations which will be stamped by a Professional Engineer registered in the Commonwealth of Massachusetts as well as other letters as you request summarizing our input into repair issues.

Our work will be based on input parameters provided by you or others as appropriate.

We anticipate that the undersigned will serve as the Project Manager and the Officer-in-Charge of the project.

Services will be provided in accordance with our "Standard Terms and Conditions," General, dated March 1994, designated 94-A, and "Standard Fee Schedule," dated January 2003, designated 03-M5, which are integral to this proposal.

Although we cannot guarantee these limits since the scope and magnitude of required work are uncertain at this time, we will agree to a maximum billing of \$10,000 without further authorization from you. We shall not render services in excess of that maximum without your approval.

This proposal is valid for a period of 60 days from the date of this letter.

If the above arrangements are satisfactory to you, please indicate your acceptance by signing and returning one copy of this letter. When accepted by you, this proposal together with the attached Terms and Conditions and Fee Schedule will constitute our Agreement.



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We appreciate the opportunity to undertake this work and look forward to our association with you on this project. Please contact the undersigned if you wish to discuss this proposal or any aspect of the project.

Sincerely yours,  
HALEY & ALDRICH, INC.



Brian C. Dorwart, P.E.  
Vice President



Daniel J. Dobbels, P.E.  
Vice President

Attachments

G:\00616\Proposal\final.doc

This proposal, and the attached "Standard Terms and Conditions" and "Standard Fee Schedule", are understood and accepted:

INSITUFORM TECHNOLOGIES, INC.

By   
(authorized signature)

By THOMAS POLZO  
(print or type name)

Title DISTRICT MANAGER

Date 12/17/03



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Haley & Aldrich, Inc.  
General  
March 1994  
94-A

## Standard Terms and Conditions

### 1. General

The following Standard Terms and Conditions, together with the attached Proposal and Standard Fee Schedule constitute the Agreement between Haley & Aldrich, Inc. ("H&A") and the entity or person to whom the proposal is addressed ("Client") for the performance of basic or additional services. The Standard Fee Schedule may be omitted for Lump Sum type Agreements.

### 2. Subsurface Risks

Client recognizes that special risks occur whenever engineering or related disciplines are applied to identify subsurface conditions. Even a comprehensive sampling and testing program, implemented with appropriate equipment and experienced personnel under the direction of a trained professional who functions in accordance with a professional standard of practice may fail to detect certain hidden conditions. Environmental, geological, and geotechnical conditions that H&A may infer to exist between sampling points may differ significantly from those that actually exist. The passage of time also must be considered, and Client recognizes that due to natural occurrences or direct or indirect human intervention at or near the Site, actual conditions may quickly change. Client realizes that nothing can be done to eliminate these risks altogether, but certain techniques can be applied to reduce them to a level that may be tolerable. H&A is available to explain these risks and risk reduction methods. In any event, the services included in this Agreement are those which Client agreed to, or selected, consistent with Client's risk preferences and other considerations.

### 3. Performance of Services

H&A's services will be performed in accordance with generally accepted practices of engineers and/or scientists providing similar services at the same time, in the same locale, and under like circumstances. No warranty, express or implied, is included or intended by this Agreement.

### 4. Payment

Invoices will generally be submitted once a month for services performed during the previous month.

Payment will be due within thirty (30) days of invoice date. Interest will be added to accounts in arrears at the rate of one and one-half (1.5) percent per month on the outstanding balance. In the event H&A must engage counsel to enforce overdue payments, Client will reimburse H&A for all reasonable attorney's fees and court costs.

### 5. Insurance

H&A is protected by Workers' Compensation Insurance, Commercial General Liability Insurance, Automobile Liability Insurance and Professional Liability Insurance coverages. H&A will furnish certificates of insurance upon Client's request. Client agrees that H&A will not be liable or responsible for any loss or damage beyond the amounts, limits, exclusions, and conditions of such insurance. A separate limit of our liability is set forth elsewhere in these Terms and Conditions.

Client may apply for insurance coverages higher than H&A's standard limits through project-specific insurance. If higher project-specific limits or special insurance is provided, Client agrees to pay an additional fee based on the additional premium cost. In any event, the time required to place the project-specific limits or special insurance will be charged.

### 6. Oil and Hazardous Materials

Work expressly excluded from this Agreement includes the assessment of the site for the presence or absence of oil, hazardous materials, asbestos, radioactive materials or any other environmental contaminants which may be subject to regulatory control, or for the design of systems to remove, treat, handle, or dispose of contaminated materials.

These services can be provided under the terms of a different Agreement, if Client wishes.

Client will obtain from Site Owner, if required, and furnish to H&A, at the time of Client's authorization to proceed, all information known concerning oil, hazardous, toxic, radioactive or asbestos material in, on or near the site available to Client, Client's counsel, and Site Owner. If hazards

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are known to exist and Client fails to advise H&A of such substances or conditions, and during the course of the work they are discovered, and such discovery in H&A's opinion results or may result in injury or a health risk to persons, whether H&A's employees or others. Client agrees to assume full responsibility and liability and shall hold H&A harmless for any and all claims, demands, suits, or liabilities for personal injury including disease, medical expenses, including but not limited to continued health monitoring, and/or death, or property damage, and for economic loss, including consequential damages.

Oil, hazardous materials, or asbestos may exist at a site where there is no reason to believe they should be present. Should, at any time, any evidence of the existence or possible existence of such substances be discovered, H&A reserves the right to stop work, renegotiate the Terms and Conditions of this Agreement, and the fees for services. If a mutually satisfactory Agreement cannot be reached between both parties, the Agreement shall be terminated in accordance with these Terms and Conditions. H&A will notify Client as soon as practically possible should unanticipated hazardous materials or suspected hazardous materials be discovered.

The discovery of hazardous materials or suspected hazardous materials may make it necessary for H&A to take immediate measures to protect human health and safety, and/or the environment. Client agrees to compensate H&A for the cost of any and all measures that in H&A's professional opinion are justified to preserve and protect the health and safety of H&A personnel and the public, and/or the environment. In addition, Client waives any claims against H&A, and, to the full extent permitted by law, agrees to indemnify, defend and hold H&A harmless from any and all claims, losses, damages, liability, and costs, including but not limited to cost of defense, arising out of or in any way connected with oil, hazardous materials or asbestos at the site.

#### 7. Right of Entry

Client agrees to furnish right of entry and permission for H&A to perform surveys, borings, and other investigations, pursuant to the scope of services. Where Client is not the owner of the Site, and services include borings, trenches, or other such invasive testing, H&A may require written authorization from the property owner to perform such services. Client acknowledges that the use of exploration equipment may alter or damage the

terrain, vegetation, improvements or property at the site. H&A will take reasonable precautions to minimize damage to the property from use of equipment, but has not included in the fee the costs of restoration of damage that may result from such operations. Client shall indemnify, defend, and hold harmless H&A and its independent contractors and consultants from all claims, damages, losses, and expenses (including attorney's fees), arising out of or resulting from H&A's entry onto and presence on the property, including, but not limited to, claims or allegations of injury to persons or damage to property, nuisance, trespass, or wrongful entry. If H&A is required to restore the property to its former condition, the cost plus fifteen (15) percent will be added to the fee.

#### 8. Damage to Underground Structures

Reasonable care will be exercised in locating underground structures in the vicinity of proposed subsurface explorations. This will include review of drawings provided by Client, Client's representatives, or the site owner for the Site to be investigated. H&A shall be entitled to rely upon the drawings provided. If the actual locations of underground structures are not known or cannot be readily confirmed, then there will be a degree of risk to Client associated with conducting the explorations. In the absence of confirmed underground structure locations, Client agrees to accept the risk of damage and costs associated with repair and restoration of damage resulting from the exploration work.

#### 9. Samples

All soil and rock samples will be discarded 30 days after submission of H&A's report or other deliverables, unless Client advises in writing otherwise. Upon request, H&A will ship or deliver the samples, charges collect, or will store them for an agreed storage charge.

#### 10. Ownership of Documents and Processes

All documents (including drawings, specifications, estimates, field notes, and other data) and all processes (including scientific, technological, software, and other concepts, whether or not patentable), created, prepared or furnished under this Agreement by H&A or H&A's independent contractors and consultants pursuant to this Agreement, are instruments of service in respect of the project and shall remain the property of H&A whether or not the project is completed. H&A shall retain ownership of all documents, drawings,



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specifications, estimates, field notes, other data, and developed technology or processes and any copyright or right to patent thereto. Client may make and retain copies thereof as is necessary to occupy and operate the project by Client or others; however, such documents are not intended or represented to be suitable for additions, extension, alterations, or completion of the project by others, or use on any other project. Any reuse without written verification or adaptation by H&A for the specific purpose intended is at Client's sole risk and without liability or legal exposure to H&A or its independent contractors or consultants. Client shall indemnify, defend, and hold harmless H&A and its independent contractors, and consultants from all claims, damages, losses, and expenses, including attorney's fees arising out of or resulting therefrom. Any such verification or adaptation will entitle H&A to further compensation.

#### 11. Electronic Media

H&A may agree to provide materials to Client stored electronically. Client recognizes that data, plans, specifications, reports, documents, or other information recorded on or transmitted as electronic media are subject to undetectable alteration, either intentional or unintentional, due to (among other causes) transmission, conversion, media degradation, software error, or human alteration. Accordingly, documents provided to Client in electronic media are for informational purposes only and not an end product.

Documents will conform to specifications defined in the Scope of Services. The documents are submitted to Client for an acceptance period of 30 days. Any defects which Client discovers in that time period shall be reported to H&A for correction. H&A makes no warranties, either express or implied, regarding the fitness or suitability of the electronic media.

The electronic media are instruments of professional service, and shall not be used, in whole or in part, for any project other than that for which they were created, without the express written consent of H&A and without suitable compensation. Accordingly, Client agrees to waive any and all claims against H&A resulting in any way from the unauthorized reuse or alteration of electronic media, and to defend, indemnify, and hold H&A harmless for any claims, losses, damages, or costs, including attorney's fees, arising out of the reuse of any electronic media.

#### 12. Services During Construction

If H&A's services include the performance of services during the construction phase of the project, it is understood that the purpose of such services, including visits to the Site, will be to enable H&A to better perform the duties and responsibilities assigned to and undertaken by it as a design professional, and to provide Client with a greater degree of confidence that the completed work of the Contractors will conform generally to the Contract Documents.

H&A shall not, during such visits or as a result of observations of construction, supervise, direct or have control over Contractors' work nor shall H&A have authority over, or responsibility for, the means, methods, techniques, sequences or procedures of construction selected by Contractors or safety precautions and programs incident to the work of Contractors or for any failure of Contractors to comply with laws, rules, regulations, ordinances, codes or orders applicable to Contractors furnishing and performing their work. H&A does not guarantee the performance of the construction contracts by Contractors, and does not assume responsibility for Contractors' failure to furnish and perform their work in accordance with the Contract Documents.

If H&A's services during construction include shop drawing review, H&A will review (or take other appropriate action with respect to) shop drawings, samples and other data which Contractors are required to submit, but only for conformance with the design concept of the project and compliance with the information given in the Contract Documents. Such review or other actions shall not extend to means, methods, techniques, sequences or procedures of manufacture (including the design of manufactured products) or construction, or to safety precautions and programs incident thereto. H&A's review or other actions, shall not constitute approval of an assembly or product of which an item is a component, nor shall it relieve Contractors of (a) their obligations regarding review and approval of any such submittals; and (b) their exclusive responsibility for the means, methods, sequences, techniques and procedures of construction, including safety of construction.

#### 13. Limitation of Liability

To the fullest extent permitted by law, the total liability of H&A to Client, and anyone claiming by, through, or under Client, for any and all injuries, claims, losses, expenses, or damages whatsoever

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arising out of or in any way related to H&A's services, from any cause or causes whatsoever, including but not limited to, negligence, errors, omissions, strict liability, breach of contract, or breach of warranty, shall be limited to an amount of \$50,000 or H&A's fee, whichever is greater.

If Client prefers not to limit H&A's liability to this sum, H&A may increase this limitation upon Client's written request. If H&A approves the request, H&A will agree to increase the limitation of liability to \$100,000 provided that Client agrees to pay for this change an additional fee of 4 percent of H&A's total fee or \$700, whichever is greater. Client's request for this waiver must be made before the contract between Client and H&A is finalized. The additional fee is for the additional risk assumed by H&A and should not be construed as a charge for additional liability insurance.

#### 14. Dispute Resolution

All claims, disputes or controversies arising out of or in relation to the interpretation, application or enforcement of this Agreement shall first be submitted to non-binding mediation pursuant to the Rules for Commercial Mediation of the American Arbitration Association.

#### 15. Legal Action

All legal actions by either party against the other for any cause or causes, including but not limited to breach of this Agreement, negligence, misrepresentations, breach of warranty or failure to perform in accordance with the standard of care, however denominated, shall be barred two (2) years from the day after completion of H&A's Services or the time that party knew or should have known of its claim, whichever is sooner. In the event that Client institutes a suit against H&A, and if such suit is not successfully prosecuted, or if it is dismissed, or if a verdict is rendered for H&A, Client agrees to pay H&A any and all costs of defense, including attorney's fees, expert witnesses' fees, and court costs and any and all other expenses of defense which may be reasonably necessary, immediately following dismissal of the case or immediately upon judgement being rendered in favor of H&A.

#### 16. Suspension of Work and Termination

Client may, at any time, suspend further work by H&A or terminate this Agreement. Suspension or termination shall be by written notice effective seven (7) days after receipt by H&A. Client agrees to compensate H&A for all services performed prior to the effective date of the suspension or

termination, together with reimbursable expenses including subcontractors, subconsultants and vendors.

No deductions shall be made from H&A's compensation on account of sums withheld from payments to contractors, nor shall payment to H&A be contingent upon financing arrangements or receipt of payment from any third party.

If Client fails to make payment when due for services and reimbursable expenses, H&A may, upon seven (7) days' written notice to Client, suspend performance of services under this Agreement. Unless payment in full is received by H&A within seven (7) days of the date of the notice, the suspension shall take effect without further notice. In the event of a suspension of services, H&A shall have no liability to Client for delay or damage to Client or others because of such suspension of services.

#### 17. Precedence

These Terms and Conditions shall take precedence over any inconsistent or contradictory provisions contained in any proposal, contract, purchase order, requisition, notice to proceed, or like document.

#### 18. Severability

If any of these Terms and Conditions are finally determined to be invalid or unenforceable in whole or part, the remaining provisions shall remain in full force and effect, and be binding upon the parties. The parties agree to reform these Terms and Conditions to replace any such invalid or unenforceable provision with a valid and enforceable provision that comes as close as possible to the intention of the stricken provision.

#### 19. Survival

These conditions shall survive the completion of H&A's services on this project and the termination of services for any cause.

#### 20. Governing Law

This Agreement shall be governed and construed in accordance with the laws of the state of the contracting office of H&A.

End of Standard Terms and Conditions



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Halley & Aldrich, Inc.  
 January 2003  
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#### Standard Fee Schedule

##### Fees for Services

Fees for services will be based on the time worked on the project by staff personnel plus reimbursable expenses. The fee will be computed as follows:

1. Salary cost multiplied by 2.5 for personnel performing services directly chargeable to the project. Salary cost includes the cost of direct labor plus employee fringe benefits applicable thereto. The multiplier provides for administrative expenses not directly chargeable to the project as well as general overhead and profit.
2. Overtime hours will be charged at straight time rates. Pretrial conferences, depositions and expert testimony will be billed at one and one-half (1.5) times the rates quoted above.
3. Direct non-salary expenses will be billed at our cost plus fifteen (15) percent or at H&A standard usage rates including:
  - a) Transportation and subsistence expenses incurred for necessary travel, such as:
    - (1) Use of personal or company vehicle at IRS allowed mileage rates;
    - (2) Use of public carriers, airplanes, rental cars, trucks, boats, or other means of transportation;
  - b) Long distance telephone calls, telefax, etc., directly identifiable with the project.
  - c) Reproduction and printing costs for reports, drawings, and other project records.
  - d) Shipping charges for water, soil and rock samples, field testing equipment, etc. Express mail, overnight delivery or other charges for special handling of reports, letters and other project related materials.
  - e) Disposal costs for soil, rock, waste and/or water samples at \$0.30 per ounce (fluid measure, sample container size) or \$5.00 per box of rock core.
  - f) Expendable personal protective equipment required for work on the project site.
  - g) Purchase of specialized equipment and rental of equipment from outside vendors.
  - h) Other project related expenses.
4. Subcontractors engaged to perform test borings or other field explorations, analytical chemical laboratory services, or other services required by the project will be billed at our cost plus fifteen (15) percent.
5. Specialized geotechnical, geophysical and environmental instrumentation and field supplies required by the project scope will be billed at H&A standard usage rates.
6. Computer usage associated with specialized database management systems, specialized analyses and other project specific technical applications will be billed at H&A standard usage rates for supporting systems.

End of Standard Fee Schedule